GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3996
ANSWERED ON:17.08.2000
INVESTMENTS BY FIIS IN HPCL BPCL IOC AND IBP
DR. KIRIT SOMAIYA

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have studied the increasing investment of Foreign Institutional Investors and also Mauritius based Foreign Institutional Investors in four major oil sector PSUs viz. HPCL, BPCL, IOC, IBP;

(b) if so, whether the Indian Financial Institutions like UTI, IDBI have sold major chunk of oil sector PSUs during the last two years;

(c) if so, whether the equity from the share holders register this equity directly or indirectly has gone in the hands of Foreign Institutional Investors;

(d) if so, whether it may affect the disinvestment process of PSUs mentioned above; and

(e) the steps proposed to be taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGAWAR)

(a),(b)& (c) : Buying and selling of shares by FIIs (within the law and regulations of s the land) is a normal and day to day activity and the level of investments by them is constantly changing. Hence, it is not feasible to study the increase and decrease in level of their holdings (both direct and indirect) which are within the permissible limits as per law and regulations of the land.

(d) Disinvestment in oil PSUs is based on the Government Policy on disinvestment, whereas, percentage of shares held by a particular investors or a group of investors in a particular company is governed under the guidelines/regulations of RBI/SEBI.

(e) The level and percentage of holding of shares by an entity is governed by RBI/SEBI regulations and law of the land.